



DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-878, A-580-881, C-580-879, C-580-882]

Certain Cold-Rolled Steel Flat Products and Certain Corrosion-Resistant Steel Products from the Republic of Korea: Preliminary Results of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that KG Dongbu Steel Co., Ltd. (KG Dongbu Steel) is the successor in interest to Dongbu Steel Co., Ltd. (Dongbu Steel) and Dongbu Incheon Steel Co., Ltd. (Dongbu Incheon) for purposes of determining antidumping duty (AD) cash deposits and liabilities pursuant to the AD orders on certain cold-rolled steel flat products (cold-rolled steel) and certain corrosion-resistant steel products (CORE) from the Republic of Korea (Korea). Additionally, Commerce preliminarily determines that KG Dongbu Steel is not the successor in interest to Dongbu Steel and Dongbu Incheon for purposes of countervailing duty (CVD) cash deposits and liabilities pursuant to the CVD orders on cold-rolled steel and CORE, because there was a significant change in ownership and operations that could have affected the nature and extent of the countervailable subsidies attributable to KG Dongbu Steel. Interested parties are invited to comment on these preliminary results.

DATES: Applicable January 5, 2021.

FOR FURTHER INFORMATION CONTACT: Joshua A. DeMoss, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3362.

SUPPLEMENTARY INFORMATION:

Background

On April 13, 2020, KG Dongbu Steel informed Commerce that effective September 1, 2019, KG Steel Co., Ltd (KG Steel) purchased a substantial portion of Dongbu Steel's shares and, as a result, became the major shareholder of Dongbu Steel.¹ On March 2, 2020, Dongbu Steel publicly announced its merger with its wholly-owned subsidiary Dongbu Incheon after Dongbu Steel's Board of Directors had approved the merger.² Further, on March 27, 2020, Dongbu Steel received shareholder approval for the newly-merged Dongbu Steel to change its name to KG Dongbu Steel.³ As such, KG Dongbu Steel requested that Commerce conduct changed circumstances reviews (CCRs) and find that KG Dongbu Steel is the successor in interest to Dongbu Steel and Dongbu Incheon, and that it be subject to cash deposit requirements at the AD margins and CVD rates currently in effect for entries of cold-rolled steel and CORE by Dongbu Steel and Dongbu Incheon, pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216(b). We did not receive comments from other interested parties concerning these requests.

On June 4, 2020, Commerce initiated the CCRs of the AD and CVD orders on cold-rolled steel and CORE from Korea. On June 12, 2020, Commerce requested more information from KG Dongbu Steel regarding the "look-back window" for purposes of the CVD CCRs,⁴ and on June 30, 2020, KG Dongbu Steel filed its response.⁵ For a complete description of the successor-in-interest analysis, *see* the Preliminary Decision Memorandum.⁶ A list of topics

¹ *See* KG Dongbu Steel's Letter, "Request for Changed Circumstances Review: Change of Name for Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd.," dated April 13, 2020.

² *Id.* at 2.

³ *Id.*

⁴ *See* Commerce's Letter, "Countervailing Duty Changed Circumstances Reviews of Cold-Rolled Steel and Corrosion Resistant Steel (CORE) from the Republic of Korea," dated June 12, 2020.

⁵ *See* KG Dongbu Steel's Letter, "Certain Corrosion Resistant Steel Products and Cold-Rolled Steel Products from the Republic of Korea Changed Circumstance Review, Case Nos. C-580-879 and C-580-882: First Supplemental Questionnaire Response," dated June 30, 2020.

⁶ *See* Memorandum, "Preliminary Results of the Changed Circumstances Reviews Regarding Successor-In-Interest Analysis: Antidumping Duty Orders and Countervailing Duty Orders on Certain Cold-rolled Steel Flat Products and Certain Corrosion-resistant Steel Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

addressed in the Preliminary Decision Memorandum is included as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Orders

The products covered by these CCRs are certain cold-rolled steel products (cold-rolled steel) and certain corrosion-resistant steel products (CORE) from Korea. For full descriptions of the scope of the orders, *see* the Preliminary Decision Memorandum.

Preliminary Results of Changed Circumstances Reviews

In accordance with 19 CFR 351.216, we preliminarily determine that KG Dongbu Steel is the successor in interest to Dongbu Steel and Dongbu Incheon for purposes of the AD orders on cold-rolled steel and CORE. Record evidence, as submitted by KG Dongbu Steel, indicates that, based on the totality of the circumstances under Commerce's successor-in-interest criteria, KG Dongbu Steel's operations are not materially dissimilar to those of Dongbu Steel and Dongbu Incheon before the acquisition and name change with respect to the merchandise under review, for purposes of the AD CCRs. Moreover, we preliminarily find that KG Dongbu Steel's production facilities, supplier relationships, and customer base with regard to the merchandise subject to the AD orders are substantially the same as Dongbu Steel's and Dongbu Incheon's before the acquisition and name change.

However, with respect to the CVD CCRs, we preliminarily find that there is evidence of significant changes in ownership during the "look-back window" that could have affected the nature and extent of the countervailable subsidies attributable to the successor entity vs. the predecessor entity. These changes in management and ownership would likely have affected

subsidization of the companies. An examination of the actual amount and rate of countervailable subsidies attributable to KG Dongbu Steel subsidy, therefore, would be more appropriate in the context of an administrative review.

Therefore, based on record evidence, we preliminarily determine that it is appropriate to apply to KG Dongbu Steel AD cash deposits requirements and liabilities at the rates currently in effect for Dongbu Steel/Dongbu Incheon. For CVD purposes, we preliminarily determine that changes in ownership and management were significant, and thus preliminarily determine that it is not appropriate to apply to KG Dongbu Steel the CVD cash deposit requirements and liabilities currently in effect for Dongbu Steel/Dongbu Incheon. For additional details regarding the preliminary successor-in-interest analysis, *see* the Preliminary Decision Memorandum.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Interested parties will be notified of the timeline for the submission of such case briefs and written comments at a later date. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline date for case briefs.⁷ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.⁸ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after

⁷ See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

⁸ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date and time of the hearing two days before the scheduled date.

Consistent with 19 CFR 351.216(e), we will intend to issue the final results of this changed circumstances review no later than 270 days after the date on which this review was initiated, or within 45 days if all parties agree to our preliminary finding.

Notification to Interested Parties

This notice is published in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216(b), 351.221(b) and 351.221(c)(3).

Dated: December 29, 2020.

Jeffrey I. Kessler,
Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Orders
- IV. Successor-In-Interest Determination
- V. Recommendation

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